



## Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact [support@jstor.org](mailto:support@jstor.org).

subtile workings of the Camden and Amboy lobby at Washington would furnish an instructive chapter of political history. But we do not choose to enter upon the miserable details. It is sufficient that, by the defeat of Representative Rogers, who has been the monopoly agent in the House, and the expulsion of John P. Stockton, who was elected for service in the Senate, the influence of the joint companies has met with a signal check. The field is therefore clear for action on the part of the general government, and it is one of the imperative duties of Congress to secure for the nation a free railroad through New Jersey. Should they do this a strenuous blow will be dealt, not merely at the Jersey oppression, but at all those other monopolies that result from the absence of competition, and which have made themselves hateful through the Union by intolerable exactions and their hurtful political sway.

---

- ART. V. — 1. *The Railway System of Massachusetts.* By HON. JOSIAH QUINCY. City Document, — No. 109. City of Boston. 1866.
2. *Thirty-second Annual Report of the Directors of the Western Railroad Corporation to the Stockholders.* January, 1867. Springfield, Mass.: Samuel Bowles & Co. 1867.
3. *The Central Pacific Railroad of California.* New York: George Brown. 1866.
4. *Colorado, — its Resources, Wealth, and Prospects.* Address of GOVERNOR EVANS before the Board of Trade of Chicago. Chicago Republican, Friday, 23 November, 1866.

THE seventh day of the coming August will be the sixtieth anniversary of Robert Fulton's steamboat voyage from New York to Albany. Every one has read the story of that excursion, and has shared in its excitement, from the moment the little steamer — the unsuspected pioneer of future commercial marines and navies — cast off so inauspiciously from the pier in New York, until the steeples of Albany appeared in the dis-

tance. Altogether, it makes a day's story hardly less interesting than the story of that famous night which preceded the discovery of America. Eighteen years later, in 1825, steam was first successfully applied to locomotion on land upon the Darlington and Stockton Railroad in England, and not until 1829 was the experiment regarded as one of assured success. At exactly the same time, in this country, the Cumberland Turnpike and its construction was a fiercely agitated national question. It was part of the great system of internal improvement then contemplated; and in identifying with it his name, Henry Clay doubtless thought that he had imperishably connected his memory with a monument more enduring than bronze, — with the Appian Way of America.

From a period long before the Christian era to 1829 there had been no essential improvement in the system of internal communication. In that year it was that the new power first fairly asserted its force. The Liverpool and Manchester road, on which the success of the new motive force was then demonstrated, was a road thirty-two miles in length, and it constituted the only steam-railway line in the world which was, in the year 1830, to use railroad parlance, in course of successful operation. Fulton's experiment was made sixty years ago: the last event was only thirty-seven. At present the Cumberland Turnpike is just about as antiquated as the Appian Way, — no more useful, and far less interesting. As to the railroads, it is already impossible exactly to compute, and very difficult even to approximate, the number of miles of their length now operated upon throughout the whole world, or the millions of capital invested in them. For present purposes, and using only figures which are safely below the reality, there may, in round numbers, be said to be in both hemispheres at least 75,000 miles of railroad in actual use, constructed at a cost varying from \$ 20,000 a mile on the Western prairies to £ 870,000 sterling a mile for the Metropolitan Railway in London, and averaging throughout the world, perhaps, \$ 80,000 the mile, — thus representing, in round numbers, some \$ 6,000,000,000 of capital in construction alone. These figures, be it remembered, represent only the first thirty-seven years of the life of a growing system which expands with a contin-

ually accelerating degree of development, which is every day exercising new influences upon mankind, and forcing upon them novel questions for immediate solution.

At present the railroad world is mainly occupied with two matters: one a matter of development, the other of administration. The work of uniting the Pacific and the Atlantic, New York and San Francisco, is now progressing at the rate of several miles a day, and that too amid scenes which no civilized being had ever trod before a time easily within the memory of men now of middle life. While the system is thus developing itself in America, the questions of administration, for some time much discussed in Europe, but now for the first time agitated in this country, are presented to the community. These questions involve nothing less than a careful scrutiny of the whole existing railroad system in its relations to its owners and managers and to the community, with a view to a readjustment of those relations if they are found to be unsatisfactory. A railroad extension to the Pacific, or elsewhere within possible limits, is a mere question of time. It may be accelerated or it may be deferred, but that it is to be no one doubts; and when finished it will be but an addition — though a very considerable one — to a system already greatly advanced. No new principle is involved. With the question of administration it is altogether different. This looks to nothing less than an entire revolution of the whole existing railroad system. For it is maintained by many careful observers of the working of this system that its history shows it to be an interest too vitally important to all communities to be intrusted to the management of corporate bodies, without at least the constant exertion of a careful and powerful supervision on behalf of the community; and further, that both statistics and experience prove that, if so intrusted without such safeguards, the interests of the community will uniformly be sacrificed to the interest of the owner when the two come in conflict.

Railroads cannot and must not be regarded simply, or even principally, as the property of individuals, — as an investment of so much capital which in its invested form belongs exclusively to the owners, and should be made to return to them the highest possible remuneration. In the early days of the sys-

tem, before its immense importance was realized, such a view might have been excusable, however short-sighted. It certainly prevailed to a very great degree, and led to the granting of many foolish charters, and to much future embarrassment. It is a view of the matter, however, which is no longer tolerable. It is only after many limitations and restrictions that railroads can be said to be private corporations at all. In common with banks, they hold relations to the community different from other corporations; for they possess many extraordinary powers, which in law are sometimes called prerogative franchises, and which partake of the quality of sovereignty, for "both currency and internal communication between different portions of a state are exclusively the prerogatives of sovereignty." Even more than banks they have a debt to fulfil to the community, as well as to their stockholders; they receive greater privileges, for which they are bound, in return, to a heavier consideration.

The great questions between railroads and the community may shortly be stated as questions of accommodation and expense, — the amount of transportation which they can afford to the community, and the consideration to be paid therefor. The interests of railroads and communities are at present in both respects essentially antagonistic. The owners of roads naturally prefer that tariff of prices which will insure to them the largest net profit, whatever may be the amount of travel or transportation over their lines. In their eagerness to be successful traders, they forget that they are also trustees. The community equally naturally desires cheap as well as abundant transportation; but, on the other hand, are far too much disposed to forget their own rights, and to look upon the corporations, not as their servants and trustees, but only as self-interested traders. Upon this good-natured forgetfulness of their *cestuis que trust* the corporations have always presumed universally and outrageously. If such an antagonism of interest does prevail, — and that it does prevail can, as an abstract question, scarcely be denied, — the railroad system is too intricately interwoven with all the interests of the community to be allowed long to remain in so unsatisfactory a condition.

Before entering into any discussion of the general principles on which a readjustment of interests might be made, or of

any particular plan proposed, the first preliminary is to induce the community to realize the true magnitude of the question involved. It must disabuse itself of many fixed ideas, and first among them is that already referred to, — the idea that the railroad system is nothing more than a dividend-realizing monopoly of certain great joint-stock companies. The real magnitude of the interest involved cannot be overstated, — its importance cannot be over-estimated, — its mere money value could not be represented in figures. The application of steam to locomotion is vulgarly looked upon as an improvement, an advance of civilization, a great result of science, a fine investment of capital, a wonderful improver of the value of corner lots, a great time-saver, an indispensable agent for the development of new country; but it may be questioned if it is often viewed in its true magnitude, as, with perhaps two exceptions, the most tremendous and far-reaching engine of social revolution which has ever either blessed or cursed the earth.

It cannot be time wasted briefly to consider, in this connection, how deeply and variously this new agent of civilization has already affected human interests. From that consideration perhaps a more just estimate may be formed of the importance of the question now agitated. For it must continually be borne in mind that the railroad system is yet in its infancy; that, in the necessary development of this system, the present or pure monopolio-corporative stage is but a period of transition; and that the duty a railroad owes to the community, as contradistinguished from the debt it owes to its stockholders, is likely to assume a relative importance far greater in the future than it has held in the past. A just appreciation of the variety and magnitude of the interests involved is the first step towards a satisfactory solution of the problem.

The most apparent and immediate application of steam-locomotion is to geographical development. In reverting to the past, the attention is at once struck by the new and portentous law of civilized territorial increase which the era of steam has inaugurated. Until as recently as the year 1847, the old Phœnician method of colonization, somewhat improved in details, yet prevailed. As the Greeks sent out colonies to the Ægean isles, to Asia Minor, and to Syracuse, — as the Romans con-

quered the barbarians, and then held them as colonists, — so the Spanish, the Dutch, the French, and the English sent out their offshoots to every quarter of the globe called uncivilized. In some regions, as in the East, they held races in subjection, and fostered colonies of the Roman type, while in others they planted feeble settlements on the model of the Greeks. As a rule, the growth of these colonies was as slow in the modern as it had been in the ancient times. By no means was it always even rapid enough to be healthy. A few, in the long course of years, struggled through the vicissitudes of infancy and became flourishing communities; many languished, and many died. The law of their progression through twenty centuries had continued essentially the same.

Steam was applied to locomotion on water and on land respectively in 1807 and 1829. At length, in 1846, vague rumors of regions rich beyond all precedent in golden ores, and only then discovered on the shores of the Pacific, pervaded the whole civilized globe, and, under the influence of steam, a new phase of colonization at once developed itself. To the new gold-fields rushed whole populations, and forthwith steam became their servant, and bound them closely with the older world. Where yesterday had been a wilderness, California and Australia took their places among the communities of the globe. The new era was making itself felt, and, under its fostering impulse, communities sprang into life full grown. Without the assistance of steam, settlements would probably have been established, and lingered in slow growth, along the shores of the sea and on the banks of navigable rivers; but the steamboat and the locomotive lent their aid, and the very Arabs of civilization became substantial communities. So far as the inducement of gold was concerned, the same process now going on upon both slopes of the Rocky Mountains was witnessed in the colonization of Mexico and Cuba. With Cuba it succeeded, as the ocean connected the colonist with the world; with Mexico it failed, because colonization was too rapid to be healthy, and the scattered colonists, cut off from and unsupported by the intercourse of their kind, merged into, and both degraded and were degraded by, the semi-civilization of the aborigines. Such will not be the case with Colorado. If that region be indeed,

as is claimed by its ex-Governor, "gridironed over with gold, silver, copper, and lead-bearing lodes," then will it very soon experience the influence of the new law of colonization. No long, wearisome, and dangerous wagon-road, scarcely marked out across the plains, will connect a nomadic population of semi-barbarous, undomesticated men with a distant civilization which is to them almost a dream of their childhood ; but almost at once the ringing grooves of the railroad will connect them with the denser populations of the East and West. A community, embracing multiform industries, will spring up in the wilderness, and every comfort of life and appliance of civilization will flow to a new and opulent market. So the new era of material development, by a process of its own, is peopling and subduing the wilds of America and Australia. This is the present exemplification of a law which dates back only twenty years.

What other possible exemplifications of it await us ? What new discoveries of territorial wealth may be made ? What region of earth next awaits development ? California and Australia have revealed their secrets ;—how long will those of Mexico and South America and Africa remain concealed ? The application of the new process of development to Mexico and South America can only be a question of time ; already begun, it must go on. But as yet Africa can only be accounted among the possibilities of the future. Let it once share the fate, as it one day may well do, of California or of Australia,—let it once reveal a hidden wealth, which somewhere surely exists, and which will bring it fairly under the influence of the modern process of colonization and steam development,—and those now living may see the solution of its enigma. It was only in 1858 that the waters of the Zambesi were disturbed by the paddles of the little steamboat bearing Livingstone and his fortunes ; but it is less than sixty years ago that the "Clermont" labored slowly up the Hudson. Those sixty years have witnessed great revolutions for the Hudson ;—what revolutions may the next sixty years not have to record for that Zambesi, on whose shores Livingstone already records gold and coal, and all mineral wealth, amid unplanted fields of cotton and indigo ? The little colony of Liberia has struggled feebly on for forty



years ; and equally feebly struggled on the convict colonies of Great Britain for a much longer period, not dreaming of the wealth on which they walked. Why should not Africa, on some unlooked-for day, wake into life, as Australia has so recently done ? Now, such a result is but a dream ; but it is a dream far less strange than the Australian and Californian facts of the last twenty years. We have yet witnessed but the buddings of the green leaf : the wonders of the dry we cannot even conceive. We are always inclined to look upon the world as finished, upon known forces as having produced their final results ; but results are never complete. Perhaps in 1481 the thinkers of that day may have considered that the printing-press had expended its force as a new power ; and in 1522 philosophers may have supposed that the ultimate material effects of geographical discovery could be approximately estimated. The one or the other conclusion would probably have been as correct as any attempt at gauging the ultimate effects of the steam system to-day.

Neither is the extent of the revolution already worked by the new power directly under our notice often appreciated. Its varied influences enter so intimately into our daily life, are so much a part of our acts and thoughts, that they become familiar, and cease to be marvellous. The changes have been so gradual, that we have failed to notice their completeness. Yet most people who observe at all have vaguely felt that there was some element which made our century different from all others,—a century of greater growth, of more rapid development. The young have found things different on attaining manhood from what they remembered in their youth ; the middle-aged wondered if change had flashed along in the eyes of their fathers as it did in their own ; and the old can easily remember a period less removed from the Middle Ages than from the passing year. Our times are not as those of our fathers. The seventh day of August, 1807, marks an era in human progress, and the years since that day have seen vastly more changes, and a progress vastly more accelerated, than any that preceded them : they have been years of another world.

No power has been so great as to be able to defy the influ-

ence of the new force at work in those sixty years, and no locality so obscure as to escape it. From the most powerful of European monarchies to the most insignificant of New England villages, the revolution has been all-pervading. Abroad and at home it has equally nationalized people and cosmopolized nations. Its influence has been more potential in peace than of late years in war. The chief bonds of nationality are unities of race, of language, of interest, and of thought. The tendency of steam has universally been towards the gravitation of the parts to the centre,—towards the combination and concentration of forces, whether intellectual or physical. Increased communication, increased activity, and increased facilities of trade destroy local interests, local dialects, and local jealousies. The days of small barrier kingdoms and intricate balances of power are wellnigh numbered. Whatever is homogeneous is combining all the world over in obedience to an irresistible law. It is the law of gravitation applied to human affairs. One national centre regulates the whole daily thought, trade, and language of great nations, and regulates it instantly. In this way, France and England are already bound as closely into two compact wholes, as were formerly the parishes of London or the *arrondissements* of Paris. The same law is revolutionizing Italy. In that country the long-scattered elements of homogeneity,—the same race and language and interest, long kept by foreign influence apart, and in a condition of artificial hostility and jealousy,—yielding with hard struggle to the new influence, are at last drawn together, and are combining with each other as by chemical affinity. Cavour had destiny on his side, and Austria struggled against fate. But for steam the fate of Italy would yet be more than doubtful. Local jealousies, foreign influence, and domestic treason might yet destroy all that has been effected. Sicily might be set up against Sardinia, and Tuscany against Rome. Italy has not yet combined itself around its centre of thought and trade and government; not yet are all its localities thrown open to commerce and to travel. But every mile of completed railroad takes for Italian unity a new bond of fate,—banishes a little more of local jealousy, local interest, and local dialect. The nation insensibly gravitates; and thirty years more will probably find Italy receiving, as

France and England do to-day, its inspiration and its trade from a single centre.

The same phenomena and the same results are witnessed in Germany. Prussia annexes half of Germany, and threatens Denmark. Austria, made up of discordant elements, which for centuries have been retained under one head by a skilfully contrived and artificially stimulated antagonism and jealousy of forces, rapidly finds her position becoming untenable. The Hun, the Croat, and the Transylvanian will not combine. They have no affinities of race, of language, or of interest,—the ingredients will not mix. To yield the popular reforms insures disintegration: to resist them provokes revolution. While all around, in Germany, Italy, and France, the affinities are combining, the same force which there brings about the contact necessary to combination is in Austria forcing together to an issue of inevitable conflict those hostile forces, so long kept in a condition of mutual resistance and counterpoise. The revolutions of the steam-engine have at last rendered forever impracticable the traditional policy of the house of Hapsburg.

The same new elements are rapidly working out its problems for Russia. Not fifteen years ago it seemed as if its destruction must inevitably result from the very accomplishment of its cherished plans. All Europe was perplexed and alarmed by the growth and imagined power of the empire of the Czars, and universal dominion seemed again to be threatened. The unprejudiced observer then thought that he saw the seeds of destruction in the very successes of power. It seemed impossible that the vast, incongruous, overgrown empire could remain united from the Baltic to the Bosphorus. All this is now changed. Within the last few years only,—brought to it in great degree by the disasters of the Crimea,—the ingredients have been cast into the crucible. Railroads are in course of construction all over the country, and, under their influence, the affinities will day by day unite. In a few years Constantinople will be nearer to St. Petersburg than Moscow once was, and the whole great nation will be bound together hard and fast by the iron bands.

On this continent, our own country is the child of steam. With us it has neither combined homogeneous elements, nor

forced into conflict those that were incongruous, but it has rapidly disseminated one element over a vast wilderness. The steamboat and railroad alone have rendered existing America possible.

Such are some of the results of peace. The same force has left a deep mark on the results of modern warfare,—a mark no less noticeable from its absence than from its presence. The history of two recent wars, not ten years apart, perfectly illustrates the possible differences of result arising from the regard or disregard of this new element of power. These two are the war in the Crimea and our late Rebellion. Russia failed of success in the Crimea, because she could not avail herself of the steam-engine; the Allies succeeded, because they could avail themselves of the steam-ship. Marseilles and Plymouth were infinitely nearer to Sebastopol than were Moscow and St. Petersburg. Could Russia have concentrated men and munitions with the ease and rapidity of France and England, the war must have had another close. The new element of force and combination, neglected by Russia in 1854, we availed ourselves of with decisive effect in 1864. That one new element of power—wholly left out of their calculations by European military authorities in exercising the gifts of prophecy on the result of our struggle—was the one element which made possible the results we accomplished. They told us of the vastness of the territory to be subdued, of the impossibility of sustaining our armies, of the power of a people acting on the defensive. They pointed to Napoleon's dismal experience in Russia, and wondered and sneered at those who would not learn from the experience of others, or profit from the disasters of the past. They could not realize, and would take no count of, the improved appliances of the age. The result the world knows. It saw a powerful enemy's very existence depending on a frail thread of railroad iron, with the effectual destruction of which perished all hope of resistance; it saw Sherman's three hundred miles of rear, and the base and supplies of eighty thousand fighting men in security three whole days' journey by rail away from the sound of strife; it saw two whole army corps, numbering eighteen thousand men, moved, with all their munitions and a portion of their artillery, thirteen hundred miles round

the circumference of a vast theatre of war, from Virginia to Tennessee, in the moment of danger, and this too in the apparently incredibly brief space of only seven days. From Alexander to Napoleon, the possibilities of combination in warfare were in essentials the same. Within thirty years of the death of Napoleon, that was accomplished which to him would have read as the tale of some Arabian night. The changes of thirty years throw deep into the shade those of thirty centuries.

All those yet referred to are but the interior circles of the influences already perceptible from the disturbing action of this one new force. It does not confine itself to nationalizing each several race, but it cosmopolizes nations. This result is more noticeable in Europe than in America. Since 1830 all the world travels. Already the whole Caucasian race looks alike and talks alike, and is rapidly growing to live alike and to think alike. We mix and mingle, until there is no strangeness left. Those of middle life yet remember Paris and London in the days of the diligence and the stage-coach; many of them have seen it in the present year of grace, and such at least realize a change. As to Rome, she has come directly within the influence of railroads only within the last six years. Did the world ever before witness a revolution so complete? The mushroom cities of America, in their very brick and mortar,—in the architecture of their buildings and the age of their walls,—are the same in appearance, and just as ancient, as modern London or Paris. We dream of England as old; we dwell upon the descriptions of English humorists, and picture to ourselves the quaint rambling inns and familiar streets of Dickens,—the haunts of Dr. Johnson and of Boswell,—the spots made familiar by Irving and his great progenitor who showed old Sir Roger the sights of the town; we insensibly associate with modern London, in childish fancy, the familiar scenes of English literature, from Prince Hal and Jack Falstaff at the Boar's Head Inn to Mr. Pickwick snuffing the morning air in Goswell Street. We still go to the city rather expecting to find the quaintness we imagine; at any rate, we do not look for what we left behind us in America. Probably some of this quaintness did linger about London until within a few years. But though 1829 did not work all its changes at once, the old

and quaint went out with stage-coaches. To-day we might as well look for traces of the Indians on Boston Common, or of the renowned Wouter Van Twiller on Manhattan Island. London is, in all essentials but size, like Boston; Paris, like New York. Paris and London have yielded to the new influence, and are giving up their distinctive characteristics, to become the stereotyped railroad centres of the future. Rome, thanks to the Papacy, has resisted the revolution a little longer; and there travellers can yet taste some of the old novelty and æsthetic enjoyment of travel. There one can yet dwell a moment with the past, and enjoy an instant's forgetfulness of the wearying march of progress. But even there the shrill scream of the steam-whistle breaks the silence of the Campagna, and a steam-engine has possession of the palace of the Cenci. All this, too, is but the beginning. It is at most but the change of a single half-century. What, then, may not the same influence accomplish in the eternal course of the future? Judging from accomplished results, how can the whole world avoid being cosmopolized?

At home, too, we notice similar change. Within the last twenty years, the old New England country town and its inhabitants have equally disappeared. The revolutions of these few years have swept away the last vestiges of colonial thoughts and persons. Who that has ever lived in a New England country town does not remember its old quiet and dulness, its industry, and the slow, steady growth of its prosperity, the staidness of its inhabitants? In the village church and the village street you seemed to see more gray heads than now, and more reverence was paid them. In the country, you met a class of men now wholly gone,—dull, solid, elderly men, men of some property and few ideas,—the legitimate descendants of the English broad-acred squires. They were the country gentry,—the men who went up to the General Court, and had been members of the Governor's Council; they were men of formal manners and of formal dress,—men who remembered Governor Hancock, and had a certain trace of his manners. To-day this class is as extinct as the dodo. Railroads have abolished them and their dress and their manners,—they have abolished the very houses they dwelt in. The race of

hereditary gentry has gone forever, and the race of hereditary business-men has usurped its place. Shrewd, anxious, eager, over-worked, the men of to-day will accomplish vast results, and immensely accelerate the development of the race. They represent the railroad, as the earlier type did the stage-coach. Whether the existing type is as happy as the extinct, is a question yet to be decided.

The same phenomena are witnessed in the regions of thought. It is bolder than of yore. It exerts its influence with a speed and force equally accelerated. The newspaper press is the great engine of modern education; and that press, obeying the laws of gravitation, is everywhere centralized, — the rays of light once scattered are concentrated into one all-powerful focus. To-day's metropolitan newspaper, printed by a steam-press, is whirled three hundred miles away by a steam-engine before the day's last evening edition is in the hands of the carrier. The local press is day by day fighting a losing cause with diminished courage, while the metropolitan press drives it out of circulation and draws from it its brain. Thought draws to intellectual centres as trade draws to commercial centres, and all are railroad centres. Thoughts are quickly exchanged, and act upon each other. Nations can no longer, except wilfully, persist in national blunders. Literatures can no longer lie hid as did the German until so few years ago. Since 1830 the nations are woven together by the network of iron, and all thought and results of thought are in common. The same problems perplex at once the whole world, and from every quarter light floods in upon their solution. This very question of the relation between communities and their railroad systems is now presenting itself to all the nations at once, and the best solution will result from common experience. The law of competition is brought to bear on national thought. But increased communication has not alone quickened and intensified thought, — it has revolutionized its process. The great feature of the future, if the present view of the influences of the agents at work is correct, will be the rapid uprising of numerous new communities. Of all such communities questioning is a leading characteristic. They have neither faith in, nor reverence for, that which is old. On the contrary, with them age is

*prima facie* evidence of badness, and they love novelty for novelty's sake. This mental inclination will ultimately apply the last test to truth, for error has its full chance and is sure of a trial. The burden of proof seems likely to be shifted from the innovator to the conservator. In the rising passion for change, the question seems likely to be, not, Is the proposed innovation an improvement? but, Is the existing condition certainly better than that proposed?

It is in the domains of trade, however, that the revolution is the most apparent and bewildering, — that the ramifications of cause and effect are most innumerable and interminable. Herbert Spencer says that it would require a volume to trace through all its ramifications the contingent effects of the everyday act of lighting a fire. These effects are imperceptible, but the influence of steam locomotion as applied to trade is as apparent as it is infinite. Increased communication leads to increased activity. Prices seek a level; produce is exchanged; labor goes where it is needed. England and Russia exchange bread for cotton, and Iowa and Ireland, labor for corn. These countries are nearer to one another now than in 1829 were the very counties of England. Increased activity demands new centres and channels, and these phenomena result, — those overgrown, dropsical giants of a growth that is just begun, — those portentous accumulations of the evil humors of society which men call railroad centres, and the apparition of which on the face of the earth is confounding and puzzling all thinking men. At the time of the great plague, just before the fire of 1666, De Foe estimated the population of London at one million of souls; but this was undoubtedly largely in excess of the reality, and Macaulay places it, more accurately, for about the same time, at 500,000. In the succeeding century and a half it increased about threefold, until, in 1831, it numbered, in round numbers, 1,600,000. At that time the new era commenced, and from that time the growth of London was almost to be dated. During the next twenty years its population had risen to 2,500,000; in 1861 it was more than 3,500,000; and to-day it perhaps contains within its limits 4,000,000 of human beings. Between 1666 and 1821 it had a growth of three hundred per cent, and it has experienced an exactly sim-



ilar increase between 1821 and 1867. When Fulton steamed up the Hudson, Paris was a city of rather more than half a million of inhabitants, and it now numbers about 2,000,000. In the days of Louis XIV. it had 490,000, and in 1841, 912,000, — an increase of one hundred per cent in two centuries. In 1866 it had 1,825,000, — an increase of one hundred per cent in twenty-five years.

The results in America have been no less extraordinary. In 1807 New York numbered a population of about 75,000. Chicago existed in 1829 only as an uninviting swamp, inhabited by a dozen families, and San Francisco was hardly a name. In 1830 New York contained over 200,000 inhabitants; and to-day they exceed 800,000, and that, too, without considering those suburbs which enter so largely into the bulk of London and Paris. Between 1829 and 1867 Chicago has increased to 200,000, and San Francisco since 1847 has become a city of 125,000 inhabitants. As to the increased trade of these centres, suffice it as one illustration for all to say, that, whereas the whole wheat trade of Chicago in 1838 was limited to 78 bushels, it had swollen in 1866 to 29,000,000. Such unhealthy growth makes of its very centres of life and thought the monsters of the nineteenth century.

Nearly twenty years ago Macaulay called attention to the fearful human material of which this growth was composed. He then referred to the arguments used by Gibbon and Adam Smith to prove that the world would not again be flooded with barbarism; and he remarked that it had not occurred to these philosophers "that civilization itself might engender the barbarians who should destroy it. It had not occurred to them, that in the very heart of great capitals, in the neighborhood of splendid palaces and churches and theatres and libraries and museums, vice and ignorance might produce a race of Huns fiercer than those who marched under Attila, and of Vandals more bent on destruction than those who followed Genseric." When Macaulay used these words at Edinburgh in 1852, he could hardly have realized that the growth of these great cities was but just begun; but since that time London has increased fifty per cent. In Europe these enormous accumulations of humanity are restrained by

tradition, by ignorance of their own power, and by immense exertion of force. Paris has felt the monster's sway once, and has a wholesome fear of repeating the experience. In London, only a few months since, in the Hyde Park riots of last July, it gave a hint of what it could do. The many-headed beast only stirred, and one good-natured switch of its tail showed, in the overthrow of the police and of the city authorities, what might be expected in any contingency in which its angry powers were once called forth. It is in America that these uncontrollable masses of humanity seem likely first, and that not remotely, to make their power felt. Here they know what they can do, and, in New York at least, are not indisposed to do it. Thus, while steam has so recently enabled us to crush a rebellion, and to preserve our unity as a nation, it seems at the same time to be steadily sapping the very foundations of our political edifice. Already it has accumulated a populace in the city of New York, in whose hands the principle of self-government has become a confessed failure; and New York is only the most fully developed result yet attained from the action of existing forces.

The trade revolutions effected by the action of the new power, and the strange tricks of fortune which it has played, furnish a subject of study always instructive, generally amusing, and sometimes sad. Steam has proved itself to be not only the most obedient of slaves, but likewise the most tyrannical of masters. It pulls down as well as builds up. The very forces of nature do not stand in its way. It overcomes the wind and tide, and abolishes the Mississippi River. It is as whimsical as it is powerful. The individual it carries whithersoever he will, but whole communities it carries whither they would not. It destroyed the Southern Confederacy, annihilated Hanover, and threatens Belgium, all brought by it within the influence of an irresistible law adverse to their nationality. It makes the grass grow in the once busy streets of small commercial centres, like Nantucket, Salem, and Charleston. It robs New Orleans of that monopoly of wealth which the Mississippi River once promised to pour into her lap. It promises to make a solitude of the wharves of Boston, and it fills New Hampshire with deserted farms. Then it carries to New York

the wealth of the whole world, and makes of her an overgrown monster. It builds up San Francisco like a very palace of Aladdin. It peoples Colorado, Montano, and Idaho as if by magic; and transfers the seat of empire to what still appears in the maps which ornament our office walls as a wilderness. This is the incomplete work of one half-century; but from these beginnings it is not unsafe to draw a few general conclusions. The result of all commercial combination and concentration is necessarily individual inequality and disparity. The wealth and population of our railroad centres is as yet only in the early stages of development. These centres are not, up to this time, even united by rail. In these centres we must ultimately look to see wealth enormously increased, with a population proportioned to it, with all its corresponding depths of vice, of misery, and of poverty. The fortunes of the Astors and Stewarts are but precursors. The sharp spasms of misery and poverty are not yet felt. The era will not have attained even the grand climacteric of the human life until the 7th of next August.

The same direct influences can be traced into morals that have been seen in every other department of human life. The law of combination and gravitation applies to ethics as well as to trade. With wealth comes taste and luxury, and with it also misery and vice. Both are consolidated, both are disseminated together. The gloomy side of this question is, that the present era is essentially that of material development. It is all the world over a race for wealth, in the first place; all else is incidental and secondary. But it is very difficult to form just conclusions as to moral deterioration or improvement during such a comparatively brief period of time. No statistics can be collected, nor could they be depended upon if their collection were possible. The opinions of those who were part of the time antecedent to 1830 are both derived from limited experience, and necessarily warped by individual bias. The golden age of purity and simplicity has always lain behind us ever since those early times when it was first created in the imagination of the earliest poets. We never realize how bad the old times were, until we come to grope amid the happily forgotten records of their filthy vices. A few facts only are

established as illustrating the influence of the era on morals. Some of those facts are scarcely encouraging. As a rule, the most democratic are the most moral communities, — those fortunate communities, of which Vermont is a happy specimen, where vast wealth is not accumulated, — where there are few who are very rich, and still fewer who are very poor. Such communities are unhappily not the characteristic of the age of steam locomotion. They are more aptly described, in the spirit of the age and the parlance of the day, “as good communities to be born in, provided you emigrate early.” Combination, the vast accumulation of wealth, and the consequently equally vast under-stratum of poverty, have been seen to be the effect of steam locomotion ; but experience does not show improved morality as the usual concomitant of increased wealth, and where misery is, there is vice also. “Railroad morals,” too, has become a proverbial expression, — a by-word of opprobrium among men. The stock exchange has hardly improved in tone of late years. Robbery and gambling, under the euphonious names of “cornering” and “operating,” have become pleasant matters of daily occurrence, and excite scarcely a comment.

Such is a hasty sketch of some of the disturbing influences of the new power on the general aspect of the century, — influences so all-pervading in their results as to be rather revolutionizing than disturbing. Whatever affects the whole affects every part. It would therefore be mere waste of time to follow out with curious assiduity the myriad remoter ramifications, until among larger incidents of change we should find the Highlander expelled from the mountain fastnesses of his clan, because the railroad has made them so accessible as a pleasure-ground to the English nobleman, and a writer like John Stuart Mill forced to declare that so wonderful are the changes, both moral and economical, taking place in our age, that, without perpetually rewriting a work like his “Elements of Political Economy,” it is impossible to keep up with them. Such would be the instances among nations and authors, and, descending, we should see the increased demand for a cheap press influencing the price of rags in the country village, and the increased use of lubricating oil compensating to the fisheries for the in-

novation of gas. All of these, too, are the revolutions worked in a single half-century by a force which is yet bound up in the swaddling-clothes of private and monopolio-corporate interests. Its iron arms have been stretched out in every direction ; nothing has escaped their reach, and the most firmly established institutions of man have proved under their touch as plastic as clay. Everything is changing, and will change with increasing rapidity. No human power can stop it. It is useless to cast back regretful glances at the old quiet days of other years and another order of things, — at the middle ages antecedent to 1807. The progressive may exult, and the conservative may repine, but the result will be all the same. We had best go on cheerfully and hopefully, for we are enlisted for the war. We must follow out the era on which we have entered to its logical and ultimate conclusions, for it is useless for men to stand in the way of steam-engines. Change is usually ugly, and the whole world, both physical and moral, is now in a period of transition. But the serpent does not cast his skin till the new one is formed beneath the old ; and because the old world is now sloughing its skin, we cannot conclude that the world of the future is to exist without any.

“ To-day I saw the dragon-fly  
Come from the wells where he did lie.

“ An inner impulse rent the veil  
Of his old husk ; from head to tail  
Came out clear plates of sapphire-mail.

“ He dried his wings ; like gauze they grew ;  
Through crofts and pastures wet with dew,  
A living flash of light he flew.”

It would be simply presumptuous to try to cast the horoscope of this revolution after thus surveying the changes already wrought. If we wished to draw a few feeble inferences to reassure ourselves in regard to the future, we could best do so by falling back on the analogies of the past. The changes of the future will undoubtedly be more rapid, more complete, and more bewildering than those of the past, in the same ratio that the combined forces of the future are engines more powerful in change than the comparatively simple forces of the earlier

days. Still, the past cannot but throw some light on the future. To the dwellers in it, the world doubtless seemed sufficiently lovely before the middle of the fifteenth century ; but then the sloughing time came on, and the old skin was slowly shed, and, in the ripeness of time, the new was found better. The old passed away amid the fierce contortions of tortured communities, — through wars and revolutions and inquisitions and anarchy. The period of change was ugly, and the world often had cause for discouragement ; but the worst times were found bearable, and the result has justified the price. Our era has just begun to work its own revolution. That its results will all be pleasant, we may not hope ; that its course will be marked by fierce agonies, we have been fully taught by the events of the last few years ; but that it will in the end serve to elevate and make more happy the whole race of man on earth, we have some cause to trust. But in surveying the history of the last great era just finished, — the distinctive era of the printing-press, with all its changes from 1444 to 1807, — the imagination is bewildered and lost in the vain effort to realize those more striking changes which are to make remarkable the new era on which we have just entered, — the distinctive era of steam locomotion.

It is necessary, however, to return from the vague considerations of the future to the practical questions of the present. It is now proposed to readjust, in all its relations to its owners and to the community, that whole system, a few of the leading results of which, as already worked out upon society, have been set forth in this article. For no slight or insufficient reason should such a readjustment be even suggested. All these revolutions have been worked by this new force through the machinery of private corporations, and on no doubtful evidence should those in whose hands the agent has accomplished so much be declared untrustworthy or insufficient for their work. But the charge now advanced against the corporate system is not a light one, nor is it supported by doubtful evidence. It is distinctly averred by the railroad reformers, that this power, so intricately involved with the whole existence of modern communities, — this system so all-pervading, — is, as a result of opposing interests, managed with an almost utter dis-

regard of that public good in behalf of which that system was established. This averment is sustained by elaborate arguments, based upon carefully collected statistics. As already stated, the natural desire of all railroad corporations, in their private capacity as traders, would be to establish on their several lines that tariff of rates which would insure to them the largest net profits, without regard to the amount of accommodation given for that consideration. By introducing into their management the principle of large receipts and small profits, the net income of many and the most important roads would be neither materially increased nor diminished. The proprietors of such roads have accordingly no interest in the establishment of such a principle. To a community, however, the difference would be immense. Instead of averaging three cents a mile on travel in this country, fares might then, it is claimed, be made in the course of time to average half a cent only. Then fifty cents would purchase a ticket from Boston to Springfield, and one dollar and twenty cents one from Boston to New York. The same rule of reduction would apply to freight. But such a change would be solely in the interest of the community, and in no degree in that of the corporation. Their work would be immensely increased, and their net revenues not at all. In other words, the present rule of corporate railroad management is sustained by the community, on its most essential lines, at a cost in excess of possible necessity of some five hundred per cent, — a subsidy paid to a conflict of interest. This proposition is sufficiently startling, and one worthy at least of a thorough examination.\*

---

\* It is not within the scope of the present article to enter elaborately into the statistics of this question. A few tables and figures can be found in Mr. Quincy's pamphlet. In fact, the question is not yet ripe for any satisfactory solution, through the absence of any reliable statistical tables. The first measure, therefore, looking to any future legislation, should be the creation, in the various States, of bureaus of railroad statistics, under the superintendence of competent commissioners. The annual returns of Massachusetts, for instance, need to be entirely remodelled, as from them it is almost impossible to arrive at any reliable conclusions. Such bureaus should be permanent, and collect information from all civilized countries, as well as exact specific returns on all possible points from the State corporations. Knowing the peculiarities in regard to through and local travel, construction, grades, and elevations of each road, and the requirements of particular regions of the State, they could shed a flood of light on railroad legislation which will never be derived from spasmodic agitations, leading to superficial hearings before legislative commit-

It is instantly apparent that no community can or will pay on all transportation of persons or property within their limits a

tees. When such a bureau exists, and not till then, may some intelligent railroad legislation be hoped for. Until that time comes, the most important material interests of the community are in perpetual danger of experimental legislative tinkering.

Meanwhile, for present purposes, the argument suggested in the text is amply sustained by the recent Report of the Directors of the Western (Mass.) Railroad. This document somewhat unceremoniously settles the whole present question with an array of figures, which, it complacently asserts, "demonstrate the fallacy" of Mr. Quincy's proposition. It may be safely asserted, on the contrary, that they not only do nothing of the sort, but lead to a directly opposite conclusion. The argument of the Report is too shallow and sophistical to be criticised. It is based upon extracts from the returns of seven Massachusetts railroads — the Boston and Lowell, Boston and Maine, Boston and Providence, Boston and Worcester, Eastern, Fitchburg, and Old Colony — for two separate aggregate periods of five years each, and separate returns of the Western Road for the same periods. Curiously enough, one of the two periods on which the road rests its argument is the only one in its history which could at once and fully demonstrate its fallacy. During one of the periods referred to, the roads received and paid gold; during the other, they received paper, and paid currency prices equivalent to gold. The periods compared are the aggregate five years from 1846 to 1850, and from 1861 to 1865, in both cases inclusive. The paid-in capital of the eight aggregate roads increased from about \$27,000,000 in 1851 to \$29,700,000 in 1865. In none of the tables of the Report are the aggregate *net earnings* of the roads during the period in question given. Upon referring to the original returns, it will be found that these earnings for the eight combined roads during the period first named amounted, in round numbers, to \$9,400,000, and for the second period to a trifle over \$14,000,000; during the first period aggregating thirty-five per cent on their paid-in capital as it stood in 1850, and during the second period forty-seven per cent on the same as it stood in 1865. During the years of the last period, all the outlays and expenses of the roads — material, labor, and motive-power — increased immensely in cost. Mr. Wells, in his Tariff and Revenue Report, estimates that increase throughout the country at sixty per cent on labor, and ninety per cent on materials. In Massachusetts the increase was especially large, — in the item of wages, more than in any other part of the country except California; and from the Report of the Boston and Providence Railroad for 1867 it appears that the cost of the important item of fuel averaged, through the years 1862 to 1866, ninety-four per cent more than its cost in 1861. In the Western Railroad Report, the expenses of the eight roads are computed at about \$34,500,000 for the last period, against a trifle less than \$14,000,000 for the first, or an increase of one hundred and fifty per cent of expense on an amount of traffic as nearly as possible doubled. Double traffic does not usually impose double expense, and it probably is not too much to estimate an increase in the price of labor and materials to the extent of some fifty per cent of their former gold value as entering into this large aggregate of expense. Meanwhile the roads in question, if we can trust their returns, had up to 1865 made an average increase of fares and freights to the amount of less than four per cent, as compared with 1860. Accordingly, while in the second period, as compared with the first, the roads were still paying, through the medium of inflated prices, the old gold rates, all their receipts were, within perhaps four per cent, as much depreciated as was the



heavy toll which is a mere gratuity exacted by the indolence of monopolists. A comparison between a system now antiquated

paper that was tendered them. The result would apparently have been exactly the same to them, if in 1861 they had reduced their fares and freight by perhaps one third, and received and paid gold as in the earlier period ; and according to all their arguments they ought now to be ruined. Such does not seem to have been the result. During the second or adverse period, the net earnings of the roads, on a capital increased less than ten per cent, rose \$ 4,600,000, or fifty per cent over the net earnings of the first period. During these five years the seven roads paid average yearly dividends of seven per cent, and the Western Road nine per cent, besides increasing their surplus funds some \$ 2,000,000.

But other and more curious comparative results, bearing upon the question at issue, are suggested by the consideration of these figures to which attention is called by this Report. Since 1860, it appears, the Western Road has increased its tariff of fares twelve per cent, and its freights thirty-five per cent ; the Boston and Providence, on the other hand, have reduced their fares twenty-eight per cent, and their freights six per cent. The results have been exactly what Mr. Quincy claims should appear. The Western Road, enjoying a monopoly of blocked-up traffic, has drawn from the community largely increased profits, on an amount of traffic not proportionately increased ; while the Boston and Providence Road has done an immensely increased business, with net results neither materially increased nor diminished. In 1865, as compared with 1860, the Western Road, operating on its advanced tariff, increased its receipts from fares seventy-six per cent, and from freights twenty-eight per cent ; its gross receipts increased eighty-two per cent, and its net earnings thirty-eight per cent ; it divided ten per cent, and passed three per cent to reserve. The Boston and Providence, on the other hand, running in the latter year at one hundred and sixty per cent of increased expense over the former, and with reduced fares, increased the receipts from fares ninety per cent, and from freights forty-four per cent ; but while their gross earnings increased seventy-nine per cent, their net earnings increased only four and a half per cent ; yet they divided ten per cent, and passed one per cent to reserve. Practically, this road had reduced its fares over fifty per cent, but greatly increased travel returned to it so large an aggregate of small profits, that its net income absolutely increased.

An immensely increased travel has accomplished all the results above set forth, and enabled all of these roads, on a tariff practically reduced by some thirty-three per cent, to thrive as they never throve before. Increased travel is, therefore, the end to be aimed at, no matter what causes the increase. Had it been caused in these five years, as it is proposed to cause it in the future, by decreased cost instead of by the unhealthy activity of war, the result must have been exactly the same. It therefore appears, that through an increase of business these railroads have derived, during the last five years, immensely increased revenues out of a tariff reduced to the full extent of any proposition Mr. Quincy has yet made, and that this tariff has enabled them to average eight per cent dividends, and to accumulate \$ 3,000,000 of surplus. The return to specie payments, and the consequent equalization of railroad receipts and expenses, unless accompanied with an unprecedented decrease of traffic, will raise the whole question. The inevitable conclusion would seem to be, that, if a decreased tariff should lead, as all experience shows it would lead, to yet more increased travel, the roads could submit to a further reduction of perhaps a third, with similar beneficial results to their stockholders.

and that now prevailing will illustrate the crushing weight of this burden, which custom has hitherto made nature. Formerly, turnpikes in the hands of corporations were far more common than now, and a toll-gate was encountered on every few miles of road. The prevailing system of tariffs on our railroads, so far as the community is concerned, weighs upon it much the same as if every road and street and highway and by-way in existence were corporate property, and upon each and all that toll upon travel was levied which long experience has proved would produce the largest net profit to the owners, and which was in fact a toll about twice or thrice as large as the interest of either way or owner required. The effect of such a burden, newly imposed on a traffic now unrestrained, could hardly be conceived. The case proposed is the exact converse of this. It is maintained that a tariff as unduly excessive is now maintained upon all the essential lines of our railroad system, that its burden has not been realized simply because the community has never known what freedom from it was, and that the relief that would be experienced on once being relieved of it could best be measured by imagining how intolerable would be the burden of a similar impost placed upon another system of communication, the use of which is now comparatively free.

It was hardly likely that, while granting charters, the existence of such a conflict of interest could escape the notice of legislatures. With a view to guarding the community against imposition, different measures have been adopted in different communities. In some, as in Belgium, the government exercises a direct supervision whenever the emergency seems to require it; in others, as in England, it imposes certain specific conditions of travel, supposed to be sufficient to attain the end; and in others, the power of the corporation is wellnigh unlimited. The last is the usual case in America. In Massachusetts a wretched provision has been uniformly introduced into all charters, ingeniously calculated to defeat its own ends. By incorporating as a fixed principle into all acts of railroad incorporation a clause to the effect that all net earnings of roads in excess of ten per cent on their capital might be applied by the Legislature to a decrease of fares, they effectually

made it the interest of the corporations in no way to inconvenience themselves by doing anything for the community, or the increase of its travel, by which they were likely to influence receipts already satisfactory, or to earn more than the percentage prescribed. Such wretched provisions as this, however, were hardly the safeguards on which the community depended for the protection of its interests. It rather fell back on lazy indifference, on a sublime faith in *laissez faire* and the law of competition, to regulate the whole question in the way most conducive to the interests of all concerned. For it has long been held, and with some appearance of truth, that in the multitude of railroads is safety; and it is notorious that competition between opposing roads has occasionally been carried on, both abroad and in this country, until one or both of the competing lines have been ruined or brought to the verge of ruin. Competition of this sort has generally proved ruinous, for the simple reason that it has been attempted before either systems or communities were prepared to support a traffic conducted on principles so advanced. It has uniformly been the characteristic of one period in the infancy, the struggling days, of railroads. The case has been that of young commercial houses, or young manufactories exposed to a trial too severe at the outset. But a basis of management most destructive at an earlier day may prove the most healthy at a later one. Traffic builds itself up, communities increase, interests expand, business is systematized. That is richly remunerative in old and densely peopled regions which is absolutely ruinous in regions more sparsely settled. A system under which railroads would flourish in England would bankrupt every corporation in America. The disregard of such almost self-evident facts has necessarily caused severe trials, which, however, must be attributed rather to circumstances than to principles. That which is possible now was not possible twenty years ago, and that which reads like folly now will be possible twenty years hence. No unfavorable inferences, therefore, in regard to what might prove a profitable basis of traffic for the present, can be drawn from the ruinous competitions of the past. The stride of the giant is not to be computed from the tottering steps of the infant. It cannot be pretended that in the year 1511

it was possible to print for the sum of twopence the Pall-Mall Gazette of to-day.

Even had the process of active competition proved less ruinous than it has to the corporations, it could not have been relied upon as a protection to communities. To monopolizing corporate bodies, having the whole game in their own hands, such a process towards attaining the end they have in view is vulgar, clumsy, crude, — unworthy of the age. Instead of dividing to press upon each other, sounder views of self-interest are in these days found to prevail, and giant corporations are far more likely to combine to rob the community. If in the face of such combinations competition is increased, if interlopers spring up and try to obtain a share of these large profits, which usage has taught the family of giants to consider as exclusively their own, there may be a short, sharp struggle to test the strength and mettle of the new-comer, but, one way or the other, it is soon over. For a time the community profits by the struggle, but the strength or weakness of the new element is soon apparent, and it breaks down or is admitted to the privilege of a joint and several robbery of the community. The establishment of regular tariffs, skilfully adapted towards obtaining the largest remuneration for the least labor, is soon found by all competing bodies of a certain magnitude a far more remunerative system than that boasted competition on which communities so securely rely. We see this principle illustrated to-day in this country in the combination of express companies, and we should soon see another illustration of it in our postal system, should that system ever pass out of the hands of the government. Combinations of capital and labor which amount to monopolies can alone satisfy the present enormous requirements of modern society. Everything is done on a grand scale and by intricate machinery, so that competition, theoretically free, is practically impossible. In this way certain overgrown corporate bodies have become the very arteries and life-channels of the body politic, — the organs on which its entire prosperity and almost its existence depend. The result is a wide-spread distrust of these bodies, springing half from instinct and half from experience. This evinces itself in various ways : the government has its postal system, and the people cling to it ;

our cities supply themselves with water ; they are now clamoring all over the country for public gas-works, and at the same time there comes up this question of railroads. All of these are but the ill-directed efforts of communities seeking to protect themselves. The difficulty is felt, but it is not so intolerable as to force a solution, and accordingly no satisfactory solution is arrived at. The problem must be solved, and the question is simply to what new principle or new application of an old principle must resort be had to effect its solution.

It is not proposed to enter elaborately at present into a discussion of the various schemes, possible or proposed, for a readjustment of the railroad system. The interests involved are too immense, and the questions, both legal and statistical, are too profound, to be more than lightly touched upon in the space which remains for the present article. The result sought is the relieving of the community from a heavy burden upon its growth and prosperity. Provided this end be attained, the question in whose hands the management of the railroad system shall rest, so that it be well managed, is of secondary importance. The vast majority of men competent to express an opinion would doubtless say that it was absolutely indispensable to that management, no less a necessity for the railroads than for the community, that the system should continue in the hands of self-interested individuals or corporate bodies. This result is in no way necessarily incompatible with the readjustment of interests proposed. The relief of the community from an unnecessary burden being the one end in view, if that end could be attained by the establishment, under a system of legislative enactments, of the now conflicting interests of *trustee* and *cestui que trust* on some common basis, — the making concurrent the profit of the railroad proprietor and the protection of the community, — such a result might well be that most to be desired. But should that result prove unattainable, the second remedy may still be resorted to, which is necessarily the sacrifice of the particular interest to the general. Whichever course should be decided upon, there can be but little doubt that the existing railroad franchises are easily within the reach of the community, either for the purpose of readjustment of interests or of annihilation.

The power of the supreme legislative authority of each community over all corporate bodies within its limits has repeatedly been discussed before our courts, and uniformly maintained. In this country a vague general opinion seems to have crept into existence, that there is some peculiar sanctity about corporate franchises, — that they constitute the very essence of private property, the ark of the covenant in a temple dedicated to vested rights. This vague, intangible idea originates from causes which give it a shadow of plausibility. The rights of certain great corporations, unlike those of individuals, rest upon express charters and grants, publicly conferred, open to the inspection of all, and containing specific limitations, conditions, and restrictions. Each one has the form of a contract, to the exact performance of all the conditions of which the faith of each contracting party is pledged. But in like manner the rights of individuals in this country are all regulated by the Constitution of the land, — the great common charter applying to each and to all. Charters simply create corporate bodies without souls, enjoying certain privileges and exercising certain powers which usually pertain only to corporeal bodies with souls, but subject to the same laws and the same Constitution, and only empowered to do certain things in the same way that individuals might be empowered.

There are different legal processes by which the supreme law-making power of a community might effect the proposed readjustment of the railroad system. The first and most obvious way of attaining the result is through the exercise of the common-law power of *eminent domain*. The right of a State legislature to exercise this power over franchises granted by themselves, has been questioned and discussed at length before the courts. It was argued that the exercise of the right was a violation of the Constitution of the United States, in that it impaired the obligation of contracts. The whole question was elaborately discussed, and the Supreme Court decided that the right of eminent domain existing in the law-making power was not, and could not be, granted away by any clause in a corporate charter; that the right of resumption of corporate charters could be exercised, not only where the safety, but also where the interest, or even the expediency, of the State is concerned;

and that, with respect to the paramount power, a corporate franchise to construct a railroad occupied the same position as the right of the citizen to the enjoyment of his land under *his* contract with the State; — the only question in either case being one of compensation for loss or damage sustained.\* The law in England had been previously established on the same basis. The franchise could not be resumed by the exercise of this power, and the functions carried on to the profit of the State. A mere transfer of business of this description could not be called such an appropriation of private property to public uses as would bring the act within the power. But it would not, apparently, be difficult, if the community saw fit to resume the franchises, for it to do so under the power, and thereafter for the legislature to devise such a system of taxes or of revenue stamps on travel or traffic on the roads so purchased as would be sufficient to keep them in repair and thorough running condition.

This is one method of disposing of the difficulty which the common law affords to the community. The objection to it is, that it does too much. It saddles the State with vast and varying interests, not properly pertaining to the functions of government. The other method of arriving at the same end with us is that prescribed by the statute law of the various States, or the organic conditions of the various charters. For with the power of eminent domain the remedies from the common law in this case seem to be exhausted. That law takes all or none. Any legislative act looking, not to the resumption of franchises, but simply to the readjustment of interests now asserted to be in conflict, without the consent of the corporate bodies, would apparently be void as impairing the obligation of contracts. The courts will construe grants contained in charters most strictly, — they will yield nothing to corporations but what is clearly given in the bond, — they will deny to legislatures, in many cases, the power in any terms of abridging their own sovereignty; but there are certain essentials in each franchise conferred, which, once given, cannot thereafter be interfered with. The privilege of operating their road and tak-

---

\* *West River Bridge Co. v. Dix*, 6 Howard, 528; *R. F. & P. R. R. v. L. R. R.*, 13 Ib. 83; *B. & L. R. R. v. Sa. & L. R. R.*, 2 Gray, 1.

ing fare and freight is the essential franchise conferred upon railroad corporations.\* Any act passed subsequently to the grant of the franchise, unless the power to pass such an act had expressly been reserved, which directly and hostilely aims at the control of these essentials by the road, would, almost without doubt, be pronounced by the courts unconstitutional and void. But few franchises are perpetual. Either an indefinite power of resumption is expressly reserved to the community, or it stipulates for a right to purchase the corporate property on certain terms at the expiration of a stated number of years. Invariably, however, in some way the law-making power of the community can, upon payment of an indemnity, lay its hand upon corporate franchises. In this case the franchise is at the exclusive and unconditional disposal of the community. It may be sold unconditionally, leased to new parties on new conditions, maintained for the public benefit or revenue, or re-conferred on the former owners on such terms and conditions as may be thought advisable. Whenever the principles are fully ascertained on which a readjustment of interest can be effected, it will practically matter little whether the total resumption of franchises and the extinction of corporate bodies be found essential to that system or not. These principles can thereafter be made part of all future grants of powers for the construction of railroads; and the benefits of the new system once practically established, communities will not have long to wait before they can make the old corporations amenable to them.

If the practical existence of a basis for successful railroad management of that description which is seen in every enterprising dry-goods house, which draws the largest net results out of the smallest profits by means of the most extended sales, is once demonstrated by any community, the necessity for all other communities to adopt that basis or else be distanced in the race would be so great that, if vested corporate rights stood in the way, the very existence of the community would require a resort to some power analogous to eminent domain, under which the necessary readjustment, after compensation, could be effected and sustained by the courts.

---

\* *Thorpe v. R. & B. R. R.*, 27 Vermont Rep. 140.



There are, therefore, at least two legal methods of attaining the end in view, — one through the readjustment of interests, the other through the annihilation of franchises, — that which would leave the whole system under a modified form of existing management, and that which would transfer it bodily to some board of control yet to be devised. As yet, only one practical measure has been suggested in this country, and that looks to the course which would naturally recommend itself the least to those most competent to judge. In a paper recently read by Mr. Josiah Quincy before the Boston Board of Trade, on the 19th of November, 1866, that gentleman advocated the purchase by the State, as an experiment, of the old railroad franchise from Boston to Albany, with a view to its management thereafter in the sole interest of the Commonwealth. It is proposed to make this purchase of a corporate franchise by the State, not by virtue of any power of eminent domain, but under a special provision in the charter of that road analogous to a general provision of the Massachusetts statutes, constituting part of its organic railroad legislation, which provides that the Commonwealth may, at any time after the expiration of twenty years from the opening of any road within its limits, purchase the same of its owners, by paying them the amount of the paid-in capital of the road, together with such further sum as would, when added to all the dividends paid by the road in the intermediate time, yield to the stockholders a profit of ten per cent, or, in the case of the Western Road, seven per cent, on each year that their capital has been paid in. Mr. Quincy's means to his end are clear, feasible, and legal. Here is apparently no question of law, no point of disputed right. He proposes to confer on Boston a public channel for the conveyance to it of travellers and merchandise, just as now there exist public water-works belonging to that city, or a postal or customs or dock-yard system belonging to the United States. There is no difficulty of law or precedent to be encountered, and all goes smoothly on until we come to the question of management.

Who is to take care of the giant when you get him out of his leading-strings? A railroad is not a turnpike. If in the last case the public interest demands that traffic should be

unimpeded, vested interests are easily compensated, the gate and the gate-keeper disposed of, and the only additional charge which in future devolves on the community is the keeping of one more way in repair. Not so a railroad. In this there are immense and continually varying interests involved,—there are repairs to be made, rolling stock to be constructed, situations to be filled, and contracts to be awarded. There is, in short, a wellnigh unlimited field for jobbery,—there are perennial opportunities for plunder. One might imagine the glee of the New York “rings” and bar-room politicians on hearing that the Hudson River or the Erie road was to be given over to their pure hands and tender mercies, or to those of any board connected with their incomparable city! Here is the weak spot, not only in this particular plan proposed, but in any that can now be suggested. Every one knows that self-interest is necessary to the wise and economical management of all property. Corporations can never compete on equal terms with individuals, and governments always exemplify the most expensive way of not doing things. Mr. Quincy’s scheme proposes to turn over the whole management of immense interests to individuals who are only remotely interested in the results of that management. This is in itself dangerous, but it is not the chief danger. It is possible that, under the control of a Board of Trade, such interests might be safe. Liberal salaries could be paid, good servants retained, and the road continue a success. The difficulty lies behind all this in our system of government. It is rapidly becoming throughout the world—and the more rapidly the better—a cardinal principle of polity, that the more the functions of government can be reduced, the better. Governments cannot economically manage large and complex interests. All such combinations of functions inevitably tend to jobbery and corruption; they become disturbing elements in party politics, and great interests of the community are made the footballs of faction. To-day, possibly the moral tone of Boston could resist the temptation, but how long would it continue to do so? If that of Boston could resist it to-day, could that of New York? Not that of New York City,—for to talk of “the moral tone” of our great commercial centre is to speak of that which is not,—but could

the moral tone of the State? — for the “rings” of Albany are now hardly less famous than those of the Empire City.

Mr. Quincy’s scheme looks to no profit to the State, except in its increased general prosperity, and the decreased expenditure of all its citizens in the cost of travel and in the price of many articles of prime necessity. How long would so abstract a view of self-interest resist the wiles of politicians? Taxes weigh upon citizens, and taxes must be levied. Taxes, too, are unpopular, and the party which imposes them must bear the burden of their unpopularity. Would such a source of revenue as great State railroads escape the hungry eyes of perplexed members of the “Ways and Means”? What notable schemes would originate for doing everything, while paying for nothing! What golden visions would be shadowed forth from the lying hustings of that New Atlantis and Millennium combined, — a great, prosperous community, where the tax-gatherer would cease from troubling and the tax-payer be at rest! The sequel of the story could be told in advance, and with no gift of prophecy. The most limited vision could foresee decreased taxes, resulting in the tax-payer’s indifference to waste, — increased expenditure, increased jobbery and corruption, — decreased prosperity, — popular deception, followed by popular indignation and gradual popular education, until a community, wiser in the degree it is poorer, comes back to first principles and the point of commencement. Where the carcass is, there will the eagles be gathered together; and in this saying is revealed the inherent danger of all schemes which look to the State’s becoming a large property-holder. In the case in question, great interests are involved; and while citizens are honest and indifferent, politicians are eager and corrupt. An almost boundless vista of office, promotion, emolument, and speculation would be offered to this gentry, and the scenes of the New York City government might be re-enacted on other theatres, and perhaps on a grander scale. Amid the changes of the future, we might even imagine what our present chief magistrate characterizes as “the good old system of rotation in office” applied to our railroad trains, as it has already been applied to our post-office and custom-house. Then the present employees of the corporations would have “fattened long enough

at the public crib," and a new race would run the machine, of whom every engineer would not remotely have been a ward-room politician, and every stoker the fortunate brother of some enterprising proprietor of a bar.

Mr. Quincy feels, as he could not but feel, that as regards future management the ground is weak under his feet. He winces, but gently steps over. Allude to it he must, and he does so as follows: "Of course, management by government would never be allowed. But the ownership of property does not necessarily imply the intention to attend to the working thereof. A man is not obliged to navigate a vessel because he owns her. He will charter the ship, and retain control by the conditions of his charter-party." This may be all *of course*, but then, again, it may not. The question still remains, Who is to make the charter, and what are to be the conditions thereof? The railroad once belonging to the State, the same power which can let it to the city of Boston or to a Board of Trade might dispose of it otherwise; and that deep self-interest so much prized by business-men is sought for in vain amid the antechambers of the Capitol, or in the lobbies of the Legislature.

No plan, however, for the settlement of any disputed question of magnitude is ever suggested, which is not liable to many and evident objections. The only way to arrive at a satisfactory result is through discussion and reflection; and whatever may be its fate in its present form, Mr. Quincy's paper cannot fail to do good, by calling attention to, and exciting discussion upon, one of the most curious and important topics of the day. In another respect, too, Mr. Quincy's proposition deserves careful consideration, at least from all Bostonians. It apparently originated in considerations of local prosperity. It is one of many schemes of late years, hitherto as short-lived as they were costly, which look to a restoration of Boston to its former relative position of purely commercial importance. As such, it is almost the first of those schemes which has promised any real results. This proposition, taken in connection with the Ocean Steamship scheme, has at least the merit of going to the root of the difficulty. Of late years Boston has been falling more and more within the gravitating influence of New York. There

is scarcely a single great commercial house in the former city which has not now a branch larger than the parent firm in the great commercial and railroad centre. The remedy for the difficulty, if any remedy exists, must be sought for in its cause. That cause has been sufficiently set forth in this paper. Boston has come within the range of railroad gravitation,—has fallen under the influence of the irresistible law. Her best means of restoring her influence and position would naturally be found in leading off in some development of the railroad system which would cause its increased results to accrue to her advantage. Intelligence and enterprise might yet enable her to constitute herself a centre,—a point of gravitation, instead of an object gravitated upon. It is not clear that even this effort would materially disturb the operation of so powerful a law. But though such an effort might fail, all more trifling and partial efforts in the same direction, which disregard the deep influences which have been at work diminishing her relative importance, are foredoomed to failure; and in the future, as in the past, the spasmodic schemes of Boston patriotism and public spirit will prove but foolish waste of her capital. Even should Massachusetts successfully develop the proposed reform, the advantage would be but temporary. None could afford to be left behind in the race; and the example, once set, would soon prevail wherever the conditions necessary to success could be found. In this way results would ultimately be equalized, but meanwhile something might be gained. It is yet to be seen whether Massachusetts will have the enterprise and courage to take up this question, and lead the way in the first practical effort at its solution. If she should boldly do so, and fail in the attempt, not much would be lost,—not more certainly than would be gained in experience to the world at large. Should she do so and succeed, hers would be the honor of first applying a new and powerful impetus to the development of the world by steam.

A word of explanation, and I close. I spoke of "Gov. Seward," "Gen. Cameron," &c., in my work, because I was compelled to study brevity; and these happen to be the fewest letters wherewith I can distinctly indicate the statesmen referred to. Of *Mr. Seward*, *Mr. Camerons*, &c., there are quite a number; but the words "Gov. Seward," "Gen. Cameron," "Gov. Chase," point unerringly and tersely to three of our eminent contemporaries.

The history of our diplomacy, and that of our finances during the war, ought, doubtless, to be written; I might possibly be induced to undertake them myself, but I did not see how to compress them, with all else that I would gladly have presented, within the two octavo volumes wherein I had engaged to write the story of our American Conflict. I believe none of my competitors has attempted to do so. There are tributes to personal service to the nation during our great struggle which you could heartily render while I could not, deeming them undeserved. Whether you in your laudation, or I in my silence, would the more strikingly illustrate the "unfortunate habit" of mistaking our own views respectively for those of the nation, is a matter not of fact, but of opinion; so I close by subscribing myself.

Yours,

HORACE GREELEY.

NEW YORK, February 16, 1867.

---

#### ERRATA.

Page 381, line 4, for "Lord de Grey and Ripon," read "Earl of Ripon."

" 491, line 20, for 29,000,000, read 67,000,000.

" 498, line 37, for "ninety-four," read "ninety."

" 499, line 16, for "twenty-eight," read "thirty-two."

" 500, the third sentence of the second paragraph should read as follows:—  
"In Belgium, the roads were built and are managed by the government, and over them private corporations have no control; in England, the government imposes certain specific conditions of travel," etc.